

A Business Plan

For

The Operation and Maintenance

Of

Cliffside Lake Recreation Area
Van Hook Glade Campground

National Forests in North Carolina

Nantahala Ranger District

Prepared by

<<Name OF Applicant>>

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Part I: The Business

Purpose and Goals

As we proceed through our business careers, it is vital that we set goals for the future. Although this is difficult and time consuming, the final reward is worth the effort. As you fill in the following, be as realistic as you can. Answers you develop now will be the basis of your business plan.

What is your purpose in pursuing this business?

Define your business goals for the next year and what you foresee five years from now.

Description of the Business

This section should describe the nature and purpose of the company, background on its industry, and what opportunities you see for its products or services. It provides you with insights that allow you to better correlate the projections and estimates presented in subsequent sections.

Brief description of the business.

Briefly describe your knowledge of this industry.

List the products and services you will provide.

Legal Structure

There are several ways in which your business can be legally organized. To determine the best one for you and your organization, you need to seek competent legal and tax advice. To give you a general frame of reference, the more popular forms and their reasons for use are outlined in Part V, Appendices.

How is your company legally organized?

Why is this legal organization most appropriate for your business?

Does your operation require a state registration number? YES ____ NO ____ If "Yes," please include a copy of the registration in the Supporting Documents.

Include any appropriate information, including shareholder or partnership agreements, in the Supporting Documents, and complete the following list of owners:

Name	Address	SSN	% Ownership
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Location of Your Business

Describe the planned geographical location of the business and discuss any advantages or disadvantages of the site location in terms of wage rates, labor availability, closeness to customers or suppliers, access to transportation, state and local taxes, laws, and utilities. Describe your approach to overcoming any problems associated with the location.

Planned geographical location.

Discuss advantages or disadvantages of the site location.

Describe your approach to overcoming any problems.

Market And Customers

The purpose of this section is to present sufficient facts to convince the evaluator that the product or service has a substantial market and can achieve sales in the face of competition. Discuss who the customers are for the anticipated product or service. Where are the major purchasers for the product or service?

Describe your anticipated target market (e.g., age, income, hobbies, regional, national, international).

Describe the size of the current total market and potential annual growth.

Discuss your advertising campaign in terms of how, when, and where you will advertise, and estimated annual cost.

Competitive Analysis

Each business has (or should have) a uniqueness that separates it from its competitors. Make a realistic assessment of the strengths and weaknesses of competitive products and services, and name the companies that supply them. Compare competing products or services on the basis of image, location, price, advertising, and other pertinent features. Discuss your three or four key competitors and explain why you think that you can capture a share of their business. Discuss what makes you think it will be easy or difficult to compete with them.

Identify three or four of your key competitors.

Discuss their strengths and weaknesses.

Compare your product or service on key areas. For each area of comparison rank yourself and your selected competitors on a scale of 1 (high) to 5 (low). Remember: no ties.

Area of Comparison	You	Competitors			
		A	B	C	D
Image					
Location					
Price					
Advertising					
Service					
Uniqueness					
Other					

Why do you think you can compete with your competitors and capture a share of the market?

Management

Your management team is the key to turning a good idea into a successful business. The evaluator looks for a committed management team with a proper balance of technical, managerial, and business skills and experience in doing what is proposed. Be sure to include complete résumés for each key management member in the Supporting Documents section.

List owners and key management personnel and their primary duties. If any key individuals will not be onboard at the start of the venture, indicate when they will join the staff.

Discuss any experience when the above people have worked together that indicates how their skills complement each other and result in an effective management team.

List the advisors and consultants that you have selected for your venture. Capable, reputable, and well-known supporting organizations can not only provide significant direct and professional assistance, but also can add to the credibility of your venture.

Accountant _____

Attorney _____

Banker _____

Insurance Broker _____

Advertising _____

Others _____

Personnel

One of the key elements in any business is PEOPLE. Explain how you plan to recruit, develop, and maintain your workers. List the number of employees you will have, as well as their job titles and required skills.

Identify essential employees, their job titles, and required skills.

Identify the source and your plan to recruit essential employees.

Discuss any training or retraining that you plan for your employees. Also, discuss any necessary first-aid certification or recertification, etc.

Part II: Financial Data

Capital-Equipment List

This section will help you plan purchases of capital equipment needed to start your business. Capital equipment is defined as assets which have useful lives of more than one year. Examples include machines, equipment, vehicles, livestock, tack, gear, and computers. Describe the equipment, the quantity, whether the equipment is new or used (N/U), the expected useful life, and the cost. This includes equipment purchased from existing businesses.

Equipment	Quantity	N/ U	Life	Cost
Total Cost of Capital Equipment				\$ _____

Start-Up Expenses

Start-up expenses are the various costs it takes to open your doors for business. Some of these will be one-time expenditures, whereas others will occur every year.

Item	Cost
Total cost of capital equipment (from page 84)	\$ _____
Beginning inventory of operating supplies	_____
Legal fees	_____
Accounting fees	_____
Other professional fees	_____
Licenses and permits	_____
Remodeling and repair work	_____
Deposits (public utilities, etc.)	_____
Advertising	_____
Insurance	_____
Bonds	_____
Advance permit fees	_____
Other expenses:	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Start-Up Expenses	\$ _____

Sources and Uses of Financing

This section is another critical financial forecast. What will be the sources of your initial financing? The following step of how you will use this financing to buy the assets needed to open your doors for business is equally important, and will be of major interest.

Note: This section will not be used if you own an existing business, unless you're planning a major refinancing and restructuring of your business.

On the next page:

- ② Fill in the cash amounts to be invested by the various owners or shareholders.
- ② Fill in the market value of noncash assets to be invested by the various owners or shareholders. Examples include equipment, vehicles, and buildings.
- ② Fill in the bank loans to your business, both short-term (one year or less) and long-term.
- ② Fill in the amounts of loans secured by your personal assets (for example, your home).
- ② Fill in any Small Business Administration loans from any other sources.
- ② Fill in the amounts of cash used to buy various assets in the Uses of Financing section.
- ② Fill in the noncash assets contributed by the owner (use the same amounts listed in Sources of Financing).
- ② Estimate your "working capital" needs. This is an often misused term, since it strictly means "current assets minus current liabilities." However, we use "working capital" here to describe that money which you'll need to pay operating expenses for the first few months of business operation until profits are realized. The number of months working capital depends on the business, but as an absolute minimum you should have three months of expense money in the bank. You should discuss this with your banker, and you may want to consider a pre-approved loan called a "line of credit," from which you draw funds only when you need to have them. **DON'T SKIP THIS STEP!**
- ② Total both sections (Sources and Uses); they should be equal.

Sources of Financing

Investment of cash by owners	\$

Investment of cash by shareholders	

Investment of noncash assets by owners	

Investment of noncash assets by shareholders	

Bank loans to business: short term (one year or less)	

Bank loans to business: long term (more than one year)	

Bank loans secured by personal assets	

Small Business Administration loans	

Other sources of financing (specify)	
_____	_____
_____	_____
Total Sources of Financing	\$

	—

Uses of Financing

Buildings \$ _____

Equipment _____

Initial inventory _____

Working capital to pay operation expenses _____

Noncash assets contributed by owners
(use same amount as in Sources, above) _____

Other assets (specify) _____

Total Uses of Financing \$ _____

Monthly Cash Flow Projection

The cash flow projection is the most important financial planning tool available to you. If you were limited to one financial statement, the Cash Flow Projection would be the one to choose.

For a new or growing business, the cash flow projection can make the difference between success and failure. For an ongoing business, it can make the difference between growth and stagnation.

Your Cash Flow Projection will show you:

- ② how much cash your business will need;
- ② when it will be needed;
- ② whether you should look for equity, debt, operating profits, or sale of fixed assets; and
- ② where the cash will come from.

The cash flow projection attempts to budget the cash needs of a business and shows how cash will flow in and out of the business over a stated period of time. Cash flows into the business from sales, collection of receivables, capital injections, etc., and flows out through cash payments for expenses of all kinds.

A cash flow deals only with actual cash transactions. Depreciation, a noncash expense, does not appear on a cash flow. Loan repayments (including interest), on the other hand, do, since they represent a cash disbursement.

After it has been developed, use your cash flow projection as a budget. If the cash outlays for a given item increase over the amount allotted for a given month, you should find out why and take corrective action as soon as possible. If the figure is lower, you should also find out why. If the cash outlay is lower than expected, it is not necessarily a good sign. Maybe a bill wasn't paid. By reviewing the movement of your cash position you can better control your business.

Use the Cash Flow Projection chart on the next page to make sure you don't omit any ordinary cash flow item. But be sure to add any items that are peculiar to your business.

The level of detail you wish to provide is another judgement call. You may want to provide much more detail than is shown in these examples. You might benefit from breaking down your total cash flow into a series of cash flows, each representing one profit center or other business unit. This can be particularly helpful if you have more than one source of revenue. The accumulated information gained by several projections can be very valuable.